

2.2.1.2. LIFE IN 14.5 SPACE

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY GUATEMALA

TO : THE DEPARTMENT OF STATE, WASHINGTON.

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18 For Dept.	ACTION 01-10	DEPT. DGR-2, AFA-2, I-2, J-2, K-2, L-2, M-2, N-2, O-2, P-2, Q-2, R-2, S-2, T-2, U-2, V-2, W-2, X-2, Y-2, Z-2
Use Only	REC'D 10/5	OTHER ARMY-35, NAVY-37, AIR-24, OSD-8, CIA-10, PSR-1

SUBJECT: Joint Weeka No. 40 for State, Army and Air Departments
from SA - Section I.

The labor dispute between the SAME Railroad Workers' union and the U.S.-owned IRCA Railroad sharpened during the week when a Labor Court of Appeals ruled that a strike would be legal and the Company flatly rejected the union's "final" proposal of a 25 percent wage increase.

During the week Sr. Victor Manuel GUTIERREZ, Secretary General of the CGTG, the national labor federation, and Sr. Leonardo CASTILLO Flores, Secretary General of the CNCG, the national campesino organization left Guatemala to attend the WFTU's Third World Congress of Trade Unions in Vienna. Before leaving, Sr. Guti  rrez joined the Communist Tribuna Popular in attacking Sr. Francisco MOGGIA, Attach   of the Argentine Embassy, for allegedly attempting on behalf of the Argentine-sponsored ATLAS labor international to divide the Guatemalan labor movement.

Disension flared up briefly in the Partido de la Revolución Guatemalteca (PRG) when the party's Communist-infiltrated Political Committee criticized the party's moderate Deputies for failure to obey its directives. The difficulties however were smoothed over at a closed party meeting.

The scope of pro-Communist propaganda was widened by the appearance of the PRG's new daily Diario del Pueblo, edited by Sr. Alfonso SOLORZANO, leader of the party's Communist-line wing, and by the scheduling of a new radio program with news items furnished by the Communist Tribuna Popular.

AMERICAN INTERESTS

IRCA Dispute Approaches Critical Stage: The First Labor Court of Appeals on September 25 confirmed the lower labor court's finding that a strike by the SAMF against the U.S.-owned International Railways of Central America (IRCA) would

JCHill
REPORTER

10/2/53

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be legal and thus initiated under the Labor Code the period of twenty days during which the union may strike or allow the matter to go to compulsory arbitration. The prospect of difficulties was heightened when Mr. Thomas Bradshaw, the Company's President, returned from a meeting with his Board of Directors in New Jersey and flatly rejected the union's "final" proposal for a 25 percent wage increase and fringe benefits which he stated would cost in all over \$2.5 million annually. Several union leaders were quoted in the press as saying a strike was inevitable but the union's formal decision is not scheduled to be made until a strike committee meeting called for Saturday, October 3.

FOREIGN AFFAIRS

Designation of John E. Peurifoy as American Ambassador Announced: The Foreign Ministry on October 1 notified the Embassy that the Guatemalan Government had granted its agrément to the designation of Mr. John E. Peurifoy as U.S. Ambassador to Guatemala and simultaneously released the news to the press.

LABOR

Guatemalan Delegation Leaves for Vienna WFTU Congress: In a move underscoring the links between Guatemalan labor organizations and international Communism, a Guatemalan delegation of seven headed by Sr. Gutiérrez, Communist Secretary General of the Confederación General de Trabajadores de Guatemala (CGTG), and including Sr. Castillo Flores, Secretary General of the Confederación Nacional Campesina de Guatemala (CNCG), left Guatemala on September 29 to attend the WFTU's Third World Congress of Trade Unions scheduled to be held in Vienna in October. The delegation was accompanied by Sr. José Orfilio MONTEROSSO as a representative of the "Salvadoran workers." Sr. Gutiérrez told reporters he did not know whether the delegates would be asked to the USSR or the "Peoples Democracies" after the Vienna meeting.

Communists Combat ATLAS Currents in Labor: According to the Communist Tribuna Popular, Sr. Moggia, Attaché of the Argentine Embassy, on September 24 rose at a strike meeting of the distillery workers' union Sindicato de Trabajadores en Alcoholes y Licores (STAL) and made a speech eulogizing the Argentine labor movement and roundly criticizing the CGTG leaders advising the strikers, stating "we want solidarity with the strike but no advice from those who want to tie us down with political directives." The newspaper also accused him of holding meetings in his home with labor leaders and politicians in an effort to establish a "divisionist" ATLAS affiliate in

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Guatemala and Sr. Gutiérrez warned that if he continued such activities the CGTG would ask the Foreign Ministry to call him to account.

DOMESTIC AFFAIRS

PRG Afflicted by Dissension over Communism: In a further instance reflecting the restiveness of non-Communist Administration politicians as Communist influence increases (WEEKA 36), the leftist PRG this week was shaken by internal dissension when its Communist-line Political Committee issued a communiqué accusing the party's more moderate Deputies in Congress of not following the Committee's political directives and undertaking to suspend them from representation in the Administration's "National Democratic Front." The Deputies led by Sr. Carlos GARCIA Bauer had shown little enthusiasm for Communist-sponsored measures and some had even voted against them. When the communiqué was issued, Sr. García Bauer and others at first sought to assert their independence and some reportedly threatened to bolt the party. However, it soon became apparent that Sr. Augusto CHARNAUD MacDonald, the opportunistic Minister of the Interior who is seeking reelection as PRG Secretary General, was siding with Sr. Alfonso Solorzano and others of the pro-Communist faction which dominates the Political Committee. The differences were patched up at a closed party meeting on September 30.

PSYCHOLOGICAL

New Leftist Daily Appears: A new daily newspaper called Diario del Pueblo, the party organ of the leftist, pro-Government Partido de la Revolución Guatemalteca (PRG), made its initial appearance on September 28, adding to the scope of Communist-influenced press in Guatemala. It is edited by Sr. Alfonso Solorzano, Manager of the Government's Institute of Social Security (IGSS) and one of Guatemala's foremost intellectual Communists. The newspaper aspires to a circulation of 5,000 copies and the slanting of national and international news items was, in the first several issues, undisguisedly pro-Communist.

Communist Paper Participates in News Broadcast: A new radio news program, "Índice del Aire" (Index of the Air), was scheduled over Guatemala City's Radio Internacional, TGTO, under the sponsorship of Tribuna Popular, organ of the Partido Guatemalteco del Trabajo - the Guatemalan Communist Party - which was to supply the "program of information and commentaries" daily except Sunday from 7:30 to 7:45 p.m. The station's owner is understood to claim that an employee was

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duped into accepting the contract and is now reportedly trying to get out of it.

Government Increases Radio Facilities: The independent press announced this week that four new transmitters ordered from General Electric for the Government-owned and operated radio station TGW would be installed by March 1954, to give the station a power of 50 kilowatts. It is TGW which broadcasts, nightly except Sunday, the pro-Communist, anti-United States program of "news" called "Recortes de Prensa" and other pro-Communist programs.

MILITARY

Leftist Press Publicizes Commendatory Letter from Chief of U.S. Army Mission: The press of September 24 featured a routine complimentary letter sent by Colonel T. B. Hanford, Chief of the U.S. Army Mission, to Colonel Carlos Enrique DIAZ, Chief of the Guatemalan Armed Forces, on the occasion of the Army's Independence Day demonstration. Such letters have been sent as a matter of custom and the Armed Forces unusual step in releasing an internal communication to the press reflected a desire to enhance the prestige of the Guatemalan Armed Forces.

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